

profess to be dogmatic. A man will chatter. . . of the exhaustion of coal deposits when he does not know their extent, and is not aware of the economies of their use; of the condition of workmen when he is entirely unacquainted with the fact that they were cruelly oppressed up to recent times. For political economy like this I have, and I trust always shall have, the heartiest contempt.

"Of course a resolute determination to look into and substantiate the causes which have so mightily hindered the economic progress of my countrymen is unpopular with the least deserving and least valuable, but often most powerful, classes of the community. . . I have constantly noticed that men who are entirely devoid of any sense of political or social justice are fond of charging their critics with sinister designs against property and order. So I am told that some of the frantic advocates of violent reconstruction allege that I am a Socialist without knowing it. But I know very well what is the issue, the natural, just, and inevitable issue, of all attempts to cure wrong-doing by violence, and to meet the misdeeds of government by a propaganda of anarchy."—*The Economic Interpretation of History* (Preface).

AN OBJECT LESSON IN POLITICAL ECONOMY.

(FROM "DEMOCRACY *versus* SOCIALISM," BY MAX HIRSCH).

In the heart of the city of Melbourne is a block of land which, except that the trees which grew upon it have been cut down, is in exactly the same state as when the blacks roamed over the site of the future city. No labour has ever been expended on it; no wealth has ever been created there. Fifty years ago the present owner of the land paid £57 for it to the Government; lately he was offered and refused £60,000 for the same land. What is the cause of the increase in the value of this land? It is this. When the land was originally sold Melbourne was a village on the outskirts of a wilderness, and no one would have given the owner more than £3 a year for the privilege of using it. Since that time the country has been populated, the soil has been subjected to the plough, roads and railways, centreing upon Melbourne, have opened the interior of the country, and as a consequence Melbourne has become a great trading centre. The volume of trade has enormously increased, and with it has increased the demand for such land as gives access to trading facilities. Any one wanting a trading location, such as this land presents, therefore, is compelled, and can afford to pay at least £2000 a year for the privilege of using it. The owner of this land has taken no part in the activities which have resulted in the value which this land now possesses. Even if he had, he would have done so as a worker and not as an owner, and would have earned no more title to this land value than any like worker who is not a land owner. For reasons which do not concern us here, the owner of this land has never made use of his power to levy a tribute of £2000 a year upon the industry of the Victorian people without rendering them any service in return. He has preferred to withhold from his fellow citizens the privilege of using this specially favourable opportunity to produce wealth. But he can exact this tribute any time he chooses, and therefore he can sell the power to do so, the annual value of the land, for £60,000. This sum of £60,000 is now considered to be part of the wealth of the country. As a matter of fact, it is neither wealth nor capital, but the capitalised value of the power to levy tribute from labour and capital without rendering or having rendered any service in return. . .

The value of all land, and not merely of that which is withheld from use, is of exactly the same nature. To revert to our former illustration, the great majority of the

owners of Melbourne land have made full use of their power to levy tribute. They have either themselves built on the land, or have sold to others the permission to build on it against payment of ground rent. Where this has been done wealth and capital, represented by the value of the buildings, have been produced, and, as presently will be shown, the income derived from the letting of the buildings is a legitimate return for services rendered. But apart from the value of and income from such buildings, there is in every case a value of and an income from the land, which can easily be separated from the building value and income. This land value represents nothing but monopoly, the right to levy tribute from labour for the privilege of using advantages not created by the owner of the land, but which are being created by the community of which his tenants form part as well as himself, if he is not an absentee, as frequently is the case.

This power to levy tribute from building, agricultural, and mining land, as well as from land put to other uses, becomes capitalised on the basis of the prevailing rate of interest, and the capitalised value of the privilege becomes the value of the land. . . All these monopoly values, easily separated from real capital, are obviously spurious capital. They are not the result of past labour, but of legalised privilege. Their value does not arise, as that of real capital, from services which they render in production, but from the power to levy toll upon production. Yet Socialists generally class these monopoly values as capital, and treat the tribute, the spurious interest upon which they are based, as of the same nature as real interest. . . All such legal privileges are more or less of the nature of toll gates; their value is not a sign of the existence of any real capital, but consists merely of the capitalised value of a tribute which the possession of such legal privileges enables their owner to exact from others, without rendering service or adequate service in return.

Dr. Wm. Preston Hill, who delivered the masterly eulogy on Henry George at our anniversary celebration last fall, has put his oration in print, in the form of a small pamphlet. Dr. Hill is a reputed millionaire, and largely interested in speculative holdings. He owns several thousand acres in Texas, and, I understand, has valuable lands in the Beaumont oil district. He is in that territory at this time looking after his interests. He does not accept the single tax in ignorance of what it will do for those interested in speculative lands, but as a believer in justice between man and man.—*Single Tax Review*, U.S.A.

A NEW order of thought is abroad in the land. While at the top the Corporations are strangling justice and robbing the people, underneath there is growing and rapidly spreading a general demand for more equitable conditions. All classes are expressing discontent with existing wrong, and a condemnation of the degrading commercialism of our time. An entirely new literature, which breathes the spirit of human brotherhood, is filling the land. The pen of the age is on the side of truth. Only the hired scribblers for the press and the capitalistic magazines are on the other side. The immediate future seems dark with much tribulation, but the hirelings who now torture labour and assassinate liberty will be buried in their own infamy. A new morning will dawn, radiant with the splendour of freedom, and the children of toil will come into their inheritance.—*Ex Governor Altgeld, Illinois*.

"Do you know who I am, sir?" asked the aristocratic man. "I am Sir Francis Daffy, Knight of the Garter, Knight of the Bath, Knight of the Double Eagle, Knight of the Golden Fleece, and Knight of the Iron Cross." "Sure," said the young Irishman, "an' I'm Michael Murphy, last night, night before last, the night before that, to night, and every other blessed night. Good night!"